BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMUNICATION OFFIGE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE REDIRECTED FROM WITNESS BRADLEY (USPS-T-14) (OCA/USPS-T14-15(d))

The United States Postal Service hereby provides a responses to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T14-15(d), filed on September 5, 1997 and redirected from witness Bradley (USPS-T-14).

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

Susan M. Duchek

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2990; Fax –5402 September 19, 1997

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO THE INTERROGATORY OF THE OCA REDIRECTED FROM WITNESS BRADLEY

OCA/USPS-T14-15d. Please describe what steps Postal Service Management has taken to rectify the problems perceived by the Inspector General. If you do not have personal knowledge of what steps have been taken, please redirect this question to the Postal Service for an institutional response.

Response:

The Postal Inspection Service findings and management actions were in three areas, described as follows:

- 1. ODIS and RPW.
 - Management actions are fully described in the Audit Report.
- 2. Management Operating Data System (MODS).
 - Increase accuracy of volume data, eliminate weights and conversion factors.

Machine piece counts are used more extensively since, for example, over 80% of letter processing and over 50% of flats processing is now accomplished on automated or mechanized equipment. Machine counts have eliminated the need to weigh some mail as in cancellation operations. Although weighted conversions to pieces for FHP will continue for now, updated conversion rates will improve overall accuracy.

b. Update existing weight conversion factors.

An engineering study to update conversion factors is planned. The update effort is currently defining detailed study requirements.

c. Comparative analysis of volume from DUVRS and MODS, task

districts with responsibility to review and take action to ensure integrity

of data.

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AVP Howard's productivity effort noted in the audit has been tabled. The indicator construction effort in support of *Customer Perfect* is currently evaluating productivity indicators.

COO Henderson sent a memo to the AVPs to emphasize district responsibility for data accuracy and integrity.

Delivery is testing the new Projected Office and Street Time system (POST) which combines machine counts with the remaining linearly measured volume using new conversion factors to project the day's volume, carrier leave times and return times.

- 3. Delivery Unit Volume Recording System (DUVRS).
 - a. Revise DUVRS to use End-of-Run reports and piece counts.

 The revised system has been tested and will be rolled-out nationally throughout FY 98.
 - Revise manual measures to use standard linear or weight conversion rates.

Three national studies were conducted to determine pieces per foot for letter and flat mail. The new conversion factors are being implemented beginning in AP 1, FY 98.

c. Explore options that allow local discretion in recording volumes that
differ from standard conversions to obtain more accurate piece counts.

Mailings such as detached address cards, full coverage flats, etc. will not be measured linearly. Validation of volume credit for full coverage flat mailings is complete. No further linear counts of these types of mailings

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO THE INTERROGATORY OF THE OCA REDIRECTED FROM WITNESS BRADLEY

are required. Additional software changes are planned which will allow the application of the same practices to letter size mailings.

c. d. <u>Comparative analysis of volume from DUVRS and MODS, task</u>

<u>districts with responsibility to review and take action to ensure integrity</u>

<u>of data.</u>

See 2c above.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

Susan M. Duchek

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